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Environmental Assessment Office

2002/03
Annual Service Plan Report

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Accountability Statement

The 2002/03 Environmental Assessment Office Annual Service Plan Report was prepared under my direction and in accordance with the *Budget Transparency and Accountability Act*. This report compares the actual results to the expected results identified in the Environmental Assessment Office's 2002/03 Service Plan. I am accountable for the Environmental Assessment Office's results and the basis on which they have been reported.

Honourable Stanley B. Hagen
Minister of Sustainable Resource Management
and Minister Responsible for
the Environmental Assessment Office

June 26, 2003

BRITISH COLUMBIA

British Columbia Environmental Assessment Office

The Environmental Assessment Office plays an important role in British Columbia by delivering a thorough, timely and integrated environmental assessment process that promotes the provincial goal of sustainability by protecting the environment and fostering a sound economy.

In 2002/03 major changes were made to the environmental assessment process. The new *Environmental Assessment Act* provides for a streamlined review process and allows more procedural flexibility to accommodate project-specific circumstances. The increased flexibility is intended to contribute to the government's strategic priorities for an improved investment climate while preserving high environmental standards.

I am pleased to present the British Columbia Environmental Assessment Office's Annual Report for the period April 1, 2002 to March 31, 2003. The purpose of this report is to facilitate the public's understanding of the core business of the Environmental Assessment Office, the resources it employs and its progress towards achieving performance targets outlined in the Environmental Assessment Office Service Plan 2002/03 to 2004/05.

I look forward to the next few years as we work to implement the Environmental Assessment Office's service plan that will lead us into a sustainable future.

Honourable Stanley B. Hagen
Minister of Sustainable Resource Management
and Minister Responsible for
the Environmental Assessment Office

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Year-at-a-Glance Highlights

Overview

In fiscal 2002/2003 major changes were made to the environmental assessment review process. British Columbia's *Environmental Assessment Act* (R.S.B.C. 1996, c.119) which had been in effect since June, 1995 was replaced with a new *Environmental Assessment Act* (S.B.C. 2002, c. 43). There were a number of strengths to the original environmental assessment process; it was thorough, balanced, integrated, open and participatory. However, over the years, a number of limitations were found with the legislation, in particular, the process was highly prescriptive and standardized rather than flexible to deal with the challenges of individual project reviews.

Environmental Assessment Reform and Transition

In response to the government's commitment to more flexible, efficient and timely reviews of proposed major projects to help revitalize the economy, the Environmental Assessment Office undertook a major reform of the environmental assessment process resulting in the new legislation. On December 30, 2002, the new *Environmental Assessment Act* (S.B.C. 2002, c. 43) (the Act) was proclaimed. The primary objective of the new legislation is to provide greater flexibility to customize review procedures on a project-by-project basis. The increased flexibility is intended to contribute to the government's strategic priorities for an improved investment climate while preserving high environmental standards. Additional objectives of the legislative reform are clearer process management accountabilities, increased procedural choice, greater certainty and credibility for proponents, reduced agency workloads and government program delivery costs, and improved federal/provincial harmonization.

Accompanying the new legislation were new and updated regulations, including the: *Reviewable Project Regulation* (BC Reg. 370/2002); *Concurrent Approval Regulation* (BC Reg. 371/2002); *Transition Regulation* (BC Reg. 374/2002); *Prescribed Time Limits Regulation* (BC Reg. 372/2002), and the new *Public Consultation Policy Regulation* (BC Reg. 373/2002) that provides assurances for consultation within every project review.

To facilitate implementation of the new legislation and transition to the new process, the Environmental Assessment Office:

- Developed Transition Orders so that all projects under review could be continued under the new process;
- Published a "Guide to the British Columbia Environmental Assessment Review Process," a comprehensive overview of the new Act and regulations, including guidelines for public and First Nations consultation. The Guide and a summary brochure describing

the review process are available on the Environmental Assessment Office website at: www.eao.gov.bc.ca;

- Implemented a new organizational plan and structure for the Environmental Assessment Office that met budgetary targets, decreased the number of Environmental Assessment Directors and created new Project Assessment Manager and Project Assessment Officer positions;
- Restructured the previous Project Registry into a Project Information Centre that provides electronic access to extensive project review documentation; and
- Completed an interim extension to the Canada-British Columbia Agreement on Environmental Assessment Cooperation.

Projects

During the 2002/03 fiscal year, the Environmental Assessment Office completed environmental assessments of six major project proposals, which subsequently obtained certification. Of the six projects, all were certified under the former Act except for the Forrest Kerr Hydroelectric Project which was certified under the new Act.

Silverberry Secure Landfill Project

(Canadian Crude Separators Inc.)

In March 2002, Canadian Crude Separators Inc. applied for approval to build and operate the Silverberry Secure Landfill approximately 50 kilometres north of Fort St. John to store special wastes from the oil and gas industry. This $32 million secure landfill facility, which would be the first facility of its kind in British Columbia, was approved on July 10, 2002. Construction of the secure landfill was initiated later in 2002.

Burnaby Lake Rejuvenation Project

(City of Burnaby)

In May 2002, the City of Burnaby submitted an application for federal and provincial approval to rejuvenate Burnaby Lake through a dredging program involving the removal of up to approximately 400,000 cubic meters of sediment over an area of about 36 hectares. The full-scale dredging program would cost $29 million and result in 86 person years of employment. The dredging program will improve environmental conditions by removing sediments that have high levels of contamination from point and non-point sources. The program will also reduce some noxious weeds currently growing in the lake. By deepening the water, conditions at the mouths of creeks will be improved for fish and the resulting open water will allow the re-establishment of a standard rowing course. Project approval certification was granted in September 2002.

Stewart Bulk Terminals Wharf Expansion Project

(Stewart Bulk Terminals Ltd.)

On July 2, 2002, Stewart Bulk Terminals Ltd. submitted an application to undertake a $6 million expansion of its bulk storage and loading marine terminal operating capacity near the town of Stewart by constructing a new wharf and facilities to service barges and cargo at all stages of the tide. Project approval certification was granted in October 2002. The company has designed the project to avoid harm to key salmon habitat and will develop operating procedures to protect against accidents and malfunctions. Project construction has not yet begun.

Basal Aquifer Dewatering Project

(Highland Valley Copper Corporation)

On February 19, 2002, Highland Valley Copper Corporation submitted an application for the Basal Aquifer Dewatering Project. The proponent proposes to increase extraction of groundwater surrounding the mine's existing Valley Pit and to discharge this water to nearby Witches Brook to enable the extension of the life of the mine. The project received certification in August 2002. It was determined that any potential environmental impacts could be adequately mitigated by measures to govern the discharge of water to meet the needs of downstream aquatic resources and mine operations. A multi stakeholder monitoring committee will oversee a proponent monitoring program to ensure the environment is protected. Extending mine life by 3.5 years prolongs the social and economic benefits of the existing mine, such as $450 million in annual company expenditures in B.C. and 950 existing jobs which represent $82 million in annual employee wages and benefits.

Forrest Kerr Hydroelectric Project

(Coast Mountain Hydro Corporation)

In June 2002, Coast Mountain Hydro Corporation submitted an application for federal and provincial approval to construct and operate the Forrest Kerr Hydroelectric Project. This $193 million project includes a new 100 megawatt power plant at the confluence of the Forrest Kerr Creek and the Iskut River, located approximately 100 kilometers northwest of the town of Stewart, as well as a 188 km. DC transmission line with converter stations, from the plant site to Meziadin Junction. The Project was certified in March 2003 with conditions that ensure sufficient water flow to avoid adverse fish impacts. The project will generate approximately 130 person-years of employment during the 2-3 year construction period as well as 4 full-time and 4 part-time operating jobs. A comprehensive Environmental Management Plan will guide project construction and operation.

Tulsequah Chief Mine Project

(Redfern Resources Ltd)

The Tulsequah Chief Mine Project, located in northwestern British Columbia, was approved in March 1998 following a three and a half year environmental assessment review. The Taku River Tlingit First Nation had concerns about the approval and sought a judicial review, which resulted in the project approval certificate being quashed by the British Columbia Supreme Court.

On January 31, 2002, the British Columbia Court of Appeal ruled that the proposal for the Tulsequah Chief Mine project should be remitted directly to the Ministers for decision. On December 12, 2002 the Minister of Sustainable Resource Management and the Minister of Energy and Mines approved the project following extensive First Nations consultation which included meetings with ministers and the Taku River Tlingit First Nation. The ministers have concluded that all key environmental issues with the project have been resolved through process or are resolvable by means of an ongoing adaptive management process.

Amended Certificates and Projects Under Review

In addition to those reviews completed during the 2002/03 fiscal year, 27 projects were in various stages of the environmental assessment process (Appendix 2). Also, 4 existing project approval certificates were amended (Appendix 1).

Intergovernmental

Federal-Provincial Harmonization

In October 2002, the governments of Canada and British Columbia approved an interim extension to the 1997 agreement on environmental assessment cooperation. The interim extension will remain in force until a long-term agreement can be negotiated that reflects the amendments proposed for the *Canadian Environmental Assessment Act* in Bill C-9 which is expected to come into force later this year. The 1997 agreement was successful in ensuring that the environmental effects of proposed projects are carefully considered in joint reviews while respecting the decision making responsibilities of both levels of government. Amendments included in the extension improve and update the 1997 agreement by:

- Providing greater flexibility in establishing a basis for a common environmental assessment report;
- Establishing a dispute resolution mechanism; and
- Making provision for project specific work plans to avoid duplication, overlap, and improve timeliness of reviews

In preliminary discussions with the Canadian Environmental Assessment Agency, staff have begun to craft a new long term agreement. Issues raised during the interim agreement consultations will be carefully revisited. The public will have an opportunity to comment on a new agreement before it is signed.

British Columbia — Washington State

The Environmental Assessment Office signed a memorandum of understanding with the Washington Department of Ecology regarding cooperation on environmental assessment in June 2001. The purpose of the protocol is to ensure that each jurisdiction provides notice of and information about projects that are within 100 km. of the international border and therefore could have effects on the neighbouring jurisdiction.

The Environmental Assessment Office invited the Department of Ecology to participate in the review of the Vancouver Island Generation Project near Nanaimo and the Inland Pacific Connector Project, a proposed pipeline that would extend from Oliver to Huntingdon, B.C. In addition, Washington State agencies continued to actively participate in the Cascade Heritage Power Plant Park Project on the Kettle River, two kilometers south of Christina Lake in the Regional District of Kootenay Boundary.

The Environmental Assessment Office has received notice about projects with which the Department of Ecology has direct involvement in Washington State, but to date British Columbia has determined it has no interest in these projects because they have low potential for impacts in B.C. The notice and information provisions do not extend to projects covered by the Washington State Energy Facility Site Evaluation Council.

Electronic Project Information Centre

An initiative critical for the success of the reformed environmental assessment process is the use of new technology for electronic service delivery. The electronic Project Information Centre (ePIC, also called the e-Registry) is the primary means for web-based access to environmental assessment information, including terms of reference for project applications, project applications, public notices, orders, public and government comments, assessment reports, ministers' certification decisions and other documents. The ePIC is essential for efficient and effective environmental assessment and for ensuring open government and accountable decision-making.

The ePIC was implemented in January 2003. The Environmental Assessment Office will monitor the effectiveness of the ePIC and develop system updates and enhancements as necessary. In early 2003, considerable progress was made towards the development of a review participant contact management module, as well as an internet mapping application to allow users to search for projects geographically. The Environmental Assessment Office will continue to rely on the Chief Information Office and the Ministry of Sustainable Resource Management for leadership in the area of standards for electronic service delivery, records management, and the protection of information and privacy.

Certification Compliance

The *Environmental Assessment Act* does not require the Environmental Assessment Office to monitor proponent compliance with certification conditions. Certification conditions are usually associated with statutory permitting and other programming interests of one or more line agencies and the Environmental Assessment Office relies on the line agencies to track compliance with certificate conditions. In fiscal year 2001/02, the Environmental Assessment Office examined the effectiveness of this approach by initiating a certification compliance review for three previously certified projects.

Further work was undertaken for the certificate compliance review of the Kemess South mine project during 2002/03, and by March 31, 2003, an advanced draft of the final report had been prepared. It is anticipated that the report will be finalized during the summer of 2003.

Ministry Role and Services

Introduction

The Environmental Assessment Office leads reviews of large-scale projects being proposed for development in British Columbia. Environmental assessment is a process for identifying, predicting, evaluating and mitigating potentially adverse impacts of major projects. The process examines a broad range of possible effects — environmental, economic, social, heritage and health — and supports balanced decision-making.

Environmental assessment serves the public interest by:

- ensuring that major projects will not threaten public health/safety or adversely affect local communities and the environment, and by instilling public confidence that this is the case;
- supporting sustainable development that improves the provincial economy;
- forestalling project planning errors which could be costly to both private and public interests;
- protecting British Columbia's reputation for environmental integrity in external markets;
- satisfying public expectations for political accountability for project approval decisions; and
- ensuring that decisions on major projects are linked to government's larger responsibility for the management of provincial land and resources.

Agency Vision, Mission and Values

Vision

Sustainable economic development that reflects the social, heritage and environmental values of British Columbians.

Mission

Provide British Columbians with a well-designed and well-delivered environmental assessment process that reflects the government's objectives for economic growth, strong communities and sustainable resource management, based on maintaining high environmental standards.

Values

The Environmental Assessment Office is committed to the following principles which guide its work:

Neutrality	The environmental assessment process is neutrally and centrally administered.
Fairness	The environmental assessment process is fair and open.
Balance	Issues receive integrated consideration and decisions are based on impartial, balanced and informed recommendations.
Science-based decision-making	Best available information, knowledge and technologies are considered and utilized.
Consultative	The environmental assessment process is participatory and transparent, ensuring meaningful opportunities for public and First Nations input.
Inter-jurisdictional coordination	A streamlined process is accomplished by minimizing duplication and overlap.

The Environmental Assessment Office is guided in its organizational behaviour by the following values:

- cooperation and teamwork;
- respect for the values and opinions of others;
- continuous improvement to ensure quality service;
- a professional and high-performance culture, encouraging innovation and creativity;
- accountability to the people of British Columbia; and
- a healthy workplace supporting staff development, recognition, and opportunity.

Agency Operating Context

The Environmental Assessment Office strives to meet its mission, goals and objectives within the larger context of many interrelated internal and external factors.

Provincial Economy — Downward trends in prices for, and revenues from, many of British Columbia's natural resources constrain economic growth, although prices for some products (e.g., energy) are expected to increase. Many resource-based communities, particularly those which have experienced workforce dislocations, are anxious for new economic opportunities.

Market Expectations — Environmental assessment is an integral component of broader environmental management systems worldwide. Consumer demands for assurances regarding environmental sustainability and consumer health increasingly affect both global and domestic markets. An environmental assessment approval can be an important marketing and financing asset.

Potential Project Effects — Major projects may raise significant health and safety, community and environmental issues with the public. The public expects opportunities for substantial involvement in environmental assessments, especially for controversial projects. Decision-making needs to be transparent, based on best available technical information, and reflective of government's broader objectives for the management of provincial land and resources.

Federal Government's Role — More than 70% of projects which are subject to the provincial environmental assessment process must also satisfy federal environmental assessment requirements. Over the past decade, federal interpretation of their jurisdiction has resulted in more federal involvement in areas of traditionally provincial resource and land use jurisdiction. This trend is expected to continue with new federal initiatives, as well as with evolving interpretation of and changes to the *Canadian Environmental Assessment Act*.

First Nations — Court decisions have provided direction to government on their obligations regarding aboriginal interests. These obligations are fulfilled through the environmental assessment process and are consistent with the approach to First Nations consultation on aboriginal rights and/or title outlined in the Provincial Policy for Consultation with First Nations (October 2002). Besides addressing aboriginal interests through measures to prevent or mitigate adverse effects, impact benefit agreements are often negotiated by proponents, with First Nations. Federal and provincial governments have established several programs designed to address First Nation interests and capacity, including the Economic Measures Fund (Province of British Columbia) and the Resource Access Negotiations Program (Indian and Northern Affairs Canada).

Despite these measures, ongoing challenges are anticipated where First Nations land claims are unresolved or provincial land use-planning is incomplete.

Increased Regulatory Efficiency — Government has made considerable progress towards reducing regulatory burden that hampers sustainable economic investment and impacts productivity in British Columbia. This is leading to a greater emphasis on delivering services more efficiently and effectively to increase certainty. Continued effort is needed to coordinate environmental assessment with permitting and tenuring processes.

Provincial Fiscal Goals — The provincial government is committed to sound fiscal management, and is reducing its costs and programming responsibilities as part of its overall strategy to balance the budget. Major projects entail large commitments of government's administrative and technical resources at a time when internal government financial and human resources are being reduced. Innovative approaches and procedural adjustments are required to adapt to current fiscal and resource constraints, and to accommodate future changes in the government's corporate strategic direction.

Strategic Shifts and Significant Changes in Policy Direction

The strategic shifts summarized below were adopted as part of the Environmental Assessment Office's Core Services Review direction. Beginning with the introduction of the new *Environmental Assessment Act* in December 2002, and the other measures described in the first section of this report, the Environmental Assessment Office is undertaking major reform of the current environmental assessment process:

- from a prescriptive and standardized process to a flexible and customized process that can be tailored to the specific needs of the project;
- from a process that placed heavy administrative burden on ministries to a process that can be flexible to reduce government's administrative burden and reduce costs;
- from a process that could be quite lengthy to a shorter overall review process that places greater responsibility on proponent deliverables to shorten the time requirements;
- from a process that provided limited options as to the projects that would be reviewed to a process that provides more flexibility in designating projects as reviewable.

Update on *New Era* Commitments

The Environmental Assessment Office's principles and organizational values support the government's core values. The goals, objectives, and strategies of the Environmental Assessment Office reflect government's commitment to operate in an innovative, results-oriented, and accountable manner consistent with the following managerial principles:

- high standards of accountability, consultation and ethics;
- focused and efficient delivery of government services;
- social and fiscal responsibility;
- open and transparent government; and
- an innovative and goal-oriented public service.

While the *New Era* commitments do not specifically refer to the work of the Environmental Assessment Office, the changes to the Act and reforms to the environmental assessment process support the key strategic shifts endorsed by the government during the Core Services Review (see above) and several important commitments, including:

- a thriving private sector economy and enhanced competitive business climate;
- cutting red tape and providing faster approvals and greater access to Crown land and resources;
- effective and sustainable use of provincial land and resources;
- a scientifically-based, balanced and principled approach to environmental management;
- protecting human health;
- eliminating federal/provincial overlaps that increase costs, and frustrate economic development;

- improving the regulatory regime and reducing the number of regulations by one-third within three years;
- increased focus on customer service and leadership in electronic government;
- open and accountable government; and
- responsible fiscal management of tax dollars.

Agency Structure

British Columbia Environmental Assessment Office

The Environmental Assessment Office is a neutral, independent agency that receives shared services from the Ministry of Sustainable Resource Management. Recent restructuring initiatives to meet Workforce Adjustment goals and the introduction of the new Act resulted in the number of Environmental Assessment Directors being reduced and new Project Assessment Managers and Project Assessment Officers positions being created. The new structure is a matrix management environment involving the shift of resources between project teams where priorities are identified. The organizational chart for the office may be found in Appendix 3.

Core Business Areas

Major Project Environmental Assessments

The Environmental Assessment Office oversees and manages the province's major project environmental assessment process. The process identifies the potential environmental, economic, social and other aspects of a proposed project, and determines ways to eliminate, minimize or mitigate any negative impacts. The Environmental Assessment Office serves a range of clients including proponents, First Nations, the public, other federal and provincial agencies and local government. The Environmental Assessment Office provides British Columbians with a carefully designed and well-delivered environmental assessment process that reflects the government's objectives for economic growth, strong communities and sustainable resource management, based on maintaining high environmental standards.

Corporate Operations

Many of the Environmental Assessment Office's corporate operations are supported by a shared services model, implemented in cooperation with the Ministries of Sustainable Resource Management and Water, Land and Air Protection. The corporate operations provided internally include service planning, budgeting, strategic human resource planning, staff development, policy and legislation, communications, records management, the electronic project information centre (ePIC) and the website.

Agency Goals, Objectives and Key Strategies

Goal 1: Efficient and Effective Delivery of Environmental Assessment

Objectives	Strategies
1 Continual improvement of provincial environmental assessment	• Develop a policy framework for provincial environmental assessment program reform. • Implement new legislation to support policy framework. • Deliver environmental assessment program and provide transition to the reformed delivery model. • Participate in the development and implementation of government policy relevant to environmental assessment. • Support the development and implementation of performance-based standards and guidelines. • Streamline alignment between environmental assessment and permitting/licensing. • Develop and implement a public and First Nations public consultation program.
2 Increase certainty in federal/provincial reviews	• Develop a new federal/provincial framework for environmental assessment cooperation. • Develop operational processes to accommodate federal requirements. • Develop operational plans with the federal government which outline the respective federal/provincial responsibilities with regard to First Nations.

Goal 2: Organizational Excellence

Objectives	Strategies
3 Adjust organizational capacity to deliver environmental assessment	• Develop an organizational plan to support environmental assessment program reform. • Develop and implement a human resource management plan that includes strategies for fair workforce adjustment, staff training and development, and succession planning. • Refine and implement performance management and budget systems. • Ensure the provision of efficient corporate services through a shared delivery model.
4 Communicate effectively with all stakeholders	• Effectively communicate the environmental assessment program. • Develop and implement an *e-Registry* that supports a focus on client service. • Increase and improve the content of Internet and Intranet sites.

Performance Reporting

Agency Goals, Performance Measures and Results

Performance measures and targets, outlined below, track progress towards achieving stated goals and objectives of the organization. Performance measures indicate overall performance with regard to key goals and not to individual strategies for achieving specific objectives or strategies. Performance measures and targets are re-examined annually to ensure they remain relevant and reflect operational experience.

Goal 1: Efficient and Effective Delivery of Environmental Assessment

1) Success Meeting Timelines

Reviews of the **Silverberry Secure Landfill Project**, the **Burnaby Lake Rejuvenation Project**, and the **Stewart Bulk Terminals Wharf Expansion Project** were completed on time. The proponent agreed to a timeline extension to complete the **Basal Aquifer Dewatering Project** review. A timeline extension was also required to complete the **Forrest Kerr Hydroelectric Project** review. Both timeline extensions were issued at the request of the Environmental Assessment Office to provide sufficient time to resolve outstanding issues raised by First Nations and government agencies.

Performance Measure	2001/02 Actual	2002/03 Target	2002/03 Actual	2002/03 Variance
Success meeting timelines (percentage of reviews completed on time)	67%	80%	80%	—

In future years, this performance measure will be modified to better reflect the new legislated requirement for government review of project applications to be completed in 180 days or less. The performance target for 2003/04 is for 90% of application reviews to be completed within 180 days.

2) Participants' Perceptions of a Professional, Expert, Fair and Open Review Process

Exit Surveys on Organizational Performance

A major performance measure for the Environmental Assessment Office Performance Plan 2001/02 to 2003/04, as well as for the Environmental Assessment Office Service Plan 2002/03 to 2004/05, is the assessment of review participants' perceptions of an expert, fair and open review process under the Act.

Performance Measure	2002/03 Target	2002/03 Actual	2002/03 Variance
Participants' perceptions of a professional, expert, fair, and open review process	Proponents: continual improvement Others: maintain or improve	Proponents: continual improvement Others: improve	—

The Environmental Assessment Office commissioned two separate but complementary modes of performance surveys designed to gauge stakeholder perceptions. Face-to-face interviews with proponents were conducted by an outside consultant to gather information and advice from proponents. A web-based survey managed by BC Stats was used to collect stakeholders' input on a variety of aspects of organizational performance. An overview of findings of both surveys is reported below.

Feedback from Proponents

Proponents were interviewed from the four project reviews that were completed in 2002/03: the Basal Aquifer Dewatering Project, the Burnaby Lake Rejuvenation Project, the Silverberry Secure Landfill Project, and an amendment to the Brilliant Powerplant Expansion Project. The proponents generally gave the Environmental Assessment Office (EAO) a positive report as described below:

EAO Aspect	Proponent comments
Organizational Capacity	• EAO has competent staff, capable of implementing the environmental assessment review requirements; • EAO dedicates sufficient organizational resources to conducting environmental assessment reviews, although there was indication that proponents wanted better advice on consultation with First Nations; • EAO makes effective use of communications technology, however some concerns were raised over the range of correspondence (e.g., informal emails) placed on the website; • EAO consistently meets established review times although questions were raised regarding the need to review certain types of projects.
Delivery of an Expert, Fair and Open Review Process	• EAO effectively communicates the environmental assessment program. • EAO develops and implements an e-Registry that supports a focus on client service. • EAO improves the content of Internet and Intranet sites.

EAO Aspect	Proponent comments
Support for Informed Decision-making	• EAO ensures that reviews focus on key strategic-level issues; • EAO develops comprehensive and balanced reports that accurately reflect the issues considered during the review process; • EAO ensures that sufficient rationale is provided for government's environmental assessment decisions and conditions that may be attached to certification approvals; • EAO addresses potential impact issues by defining impact mitigation measures where appropriate.

Based on the responses, the consultant who conducted the interviews provided the following observations:

- Process costs to proponents need to be taken into consideration during reviews. Two proponents identified situations where they felt that the EAO established excessive public consultation requirements. With the new EAO process in place that involves customization of environmental assessment requirements based on the specifics of individual projects, the EAO will be called on to apply discretion in defining public consultation, and other process requirements.
- Continuing efforts to improve federal/provincial environmental assessment review harmonization appear to be needed, particularly in respect to the requirements of Fisheries and Oceans Canada during a joint review.
- Two proponents questioned the need to conduct environmental assessment on their projects because, in their view, the project did not pose significant adverse environmental threats. With the powers under the new Act to waive out some projects, criteria will be needed for making this determination.
- Two proponents experienced some challenges with First Nations consultation and believe that the EAO could improve its advice to proponents in this area.
- The EAO should continue to try to achieve close linkages between the environmental assessment review and permitting to facilitate the resolution of key issues that might be expected to arise during post-certification permitting activities.

Results of stakeholder surveys (conducted by BCSTATS)

BCSTATS conducted a survey of review participants in February and March 2003, who had been involved in at least one of nine projects that were either completed or under active review during the fiscal year of 2002/03. The objective of the survey was to receive input on participant perceptions of: the capacity of the EAO to deliver an expert, fair and open review process; the accessibility of project review information; and the efforts to achieve harmonized intergovernmental review.

Respondents were approached by email, phone, and postal mail and were invited to complete the survey through a phone interview or online. Survey participants fell into four participant categories: proponents (including their consultants who worked on the project review documentation); government agencies that participated in the review (provincial, federal

and local government); First Nations; and the public (those who submitted comments, made enquiries, or attended meetings).

The survey population consisted of 625 people of whom 163 submitted surveys, yielding an overall response rate of 26%. The findings indicated a relatively high perception of the administration of the environmental assessment process by the EAO, with the highest ratings in the area of cooperation between federal and provincial agencies.

EAO Aspect	Survey response (% of satisfaction ratings "high" or "somewhat high")
Cooperation among federal and provincial agencies	93%
Communication during reviews	89%
Opportunities for input during the review	82%
Leadership in administering the environmental assessment process[1]	**80%**
Accessibility of information on project reviews	80%
Level of technical expertise and analysis	78%
Management of the project review	76%
Demonstration of impartiality in administering the process	69%

[1] Key question, as defined by BCSTATS.

Comparisons across respondent types showed the greatest level of satisfaction among proponents, followed by review agencies with the public having less but still a high per cent reporting satisfaction with the process. The following results for perceptions of leadership provide an example of this trend.

EAO Aspect: Leadership in administering the environmental assessment process			
Participant Type	*"High" or "Somewhat high"*	*Neutral*	*"Somewhat low" or "low"*
Proponents	100%	0%	0%
Government Agencies	85%	13%	2%
Public	68%	22%	11%

3) Cost Per Project Under Review

Upon full implementation of the new environmental assessment process, it was estimated that the costs to government could be reduced by about one-third, without significant reduction in the number of projects that are subject to review and with no reduction in review quality. In 2002/03, it is estimated that there were 15 "review years" over the 19 projects that were subject to some level of EA review. Assuming 75% of review costs are borne by the Environmental Assessment Office and an additional 25% of review costs are provided by line ministries involved in the review process, it is estimated that the average annual government environmental assessment costs was $315K per project.

Performance Measure	2001/02 Actual	2002/03 Target	2002/03 Actual	2002/03 Variance
Cost per project under review (average annual government EA costs)	$317K	$317K	$315K	-$2K

4) Approved plan for Cooperative Federal/Provincial Relationship to Guide Joint Reviews

An interim extension to the Canada-British Columbia Agreement for Environmental Assessment Cooperation was completed in 2002/03. This extension incorporated federal-provincial work planning on a project-by-project basis (so that the provincial timelines can be achieved by both levels of government), as well as a dispute resolution mechanism to involve senior-level provincial and federal officials in cooperatively resolving policy and process disputes. An improved long term agreement for federal/provincial cooperation in environmental assessment continues to be a priority.

Performance Measure	2001/02 Actual	2002/03 Target	2002/03 Actual	2002/03 Variance
Approved plan for cooperative federal/ provincial relationship to guide joint reviews	In progress	Complete	Complete	—

Goal 2: Organizational Excellence

1) Organizational Development and Planning

Another performance measure is the per cent of staff with completed performance and development plans. The 50% target was exceeded and all staff had plans in place for 2002/03

Performance Measure	2001/02 Actual	2002/03 Target	2002/03 Actual	2002/03 Variance
Organizational development and planning (per cent of staff with *Performance and Development Plans* in place)	In progress	50%	100%	+50%

2) Switch to Electronic Documentation

In April 2002, the Environmental Assessment Office moved its server to a new host ministry (Ministry of Sustainable Resource Management). As a result, the web site visit statistics for 2002/03 were calculated differently than in previous years. The implementation of the new electronic Project Information System (ePIC) in January 2003 required a further change to the way web site traffic is calculated. This will be reflected in subsequent year's reporting and will require the collection of new base data starting January 2003 to reflect the new approach to statistical reporting.

The reported 12% increase in website *visitors* is based on number of unique IP addresses that accessed the Environmental Assessment Office website each month from April to December, 2002. Similarly, the reported 25% increase in website *hits* is determined based on the number of Environmental Assessment Office website pages viewed for this period compared to this same period in 2001. The Environmental Assessment Office's new host server does not provide website traffic statistics in terms of *visits* (i.e., total visiting users) that are comparable to data collected in previous years.

Performance Measure	2000/01 Actual	2001/02 Actual	2002/03 Target	2002/03 Actual	2002/03 Variance
Switch to electronic documentation (number of EAO website visits per year)	91,498 visitors 242,312 visits 2,387,369 hits	104,723 visitors 328,426 visits 3,219,822 hits	Continual improvement (+10%)	83,870 visitors to Jan. 2003 (+12%) 2,598,801 hit to Jan 2003 (+25%)	+2% visitors to Jan. 2003 +15% hits to Jan. 2003

Deregulation

In its *New Era* document, the government committed to reduce the cross-government burden imposed by government "regulations" by one-third over three years. The enactment of the new *Environmental Assessment Act* (Bill 38) and Regulations in December 2002 was partly intended to contribute to this goal. The previous Act, Regulations and supporting operating policies comprised 607 discrete "regulations", imposed on both proponents and government agencies. The new Act, Regulations and operating policies comprise 263 discrete regulatory requirements, which represents a 56% reduction, well in excess of the government's target of a one-third reduction. This reduction has been achieved by creating the flexibility to tailor the project review process to individual project circumstances without compromising standards for health, safety and the environment.

Report on Resources

Resource Summary by Core Business Areas

The table below shows the budgeted resources for the Environmental Assessment Office

Core Business	2002/03 Restated Estimates	Other Authorizations	Actual	Variance
Operating Expenses ($000)				
Core Business	3,470	—	3,445	25
Total	**3,470**	—	**3,445**	**25**
FTEs	35	—	35	—

Core Business	2002/03 Restated Estimates	Other Authorizations	Actual	Variance
Capital Expenses ($000)				
Corporate operations	112	—	112	—
Total	**112**	—	**112**	—

Report on Resources

Resource Summary by Core Business Areas

The table below shows the budgeted resources for the Environmental Assessment Office

Core Business	2002/03 Restated Estimates	Other Authorizations	Actual	Variance
Operating Expenses ($000)				
Core Business	3,470	—	3,445	25
Total	**3,470**	—	**3,445**	**25**
FTEs	35	—	35	—

Core Business	2002/03 Restated Estimates	Other Authorizations	Actual	Variance
Capital Expenses ($000)				
Corporate operations	112	—	112	—
Total	**112**	—	**112**	—

Annual Service Plan Report Appendices

Appendix 1 — Certified Projects

Projects Certified April 1, 2002 – March 31, 2003

Project (proponent)	Location	Investment ($ million)	Jobs		Date Certified
			Construction (person years)	Operating (FTEs)	
Basal Aquifer Dewatering Project (Highland Valley Copper Corporation)	West of Logan Lake	3.84	—	950	August 14, 2002
Burnaby Lake Rejuvenation Project (City of Burnaby)	Brunette Watershed, North of New Westminster	29	86	15	September 25, 2002
Forrest Kerr Hydroelectric Project (Coast Mountain Hydro Corp.)	100 km. Northwest of Stewart on the Iskut River	193	75	4 full time 4 part time	March 13, 2003
Silverberry Secure Landfill (Canadian Crude Separators Inc.)	50 km. North of Fort St. John	32	48	3	July 10, 2002
Stewart Bulk Terminals Wharf Expansion Project (Stewart Bulk Terminals Ltd.)	Stewart	6	30		October 8, 2002
Tulsequah Chief Project Court of Appeal (Redfern Resources Ltd.)	Taku River South of Atlin	155	300	250	December 12, 2002

Amendments to Projects April 1, 2002 – March 31, 2003

Project (proponent)	Location	Description	Date
Line Creek Coal Project Amendment 3 (Line Creek Mine Ltd.)	Near Sparwood	Minor amendment to transfer the name of the holder of the Project Approval Certificate to Line Creek Coal Ltd. from Luscar Ltd. and Consol Energy Ltd.	December 4, 2002
Brilliant Powerplant Expansion Project Amendment 1 (Brilliant Expansion Power Corporation)	Near Castlegar on Kootenay River	Changes to the Project as described in the Project Approval Certificate E01-01 Amendment Application	December 23, 2002
Brilliant Powerplant Expansion Project Amendment 2 (Brilliant Expansion Power Corporation)	Near Castlegar on Kootenay River	Proponent applied for an amendment to the Certificate to allow Construction of the left bank access road to proceed under specified conditions in advance of the remainder of the Project and An access tunnel to be added to the Project, as described in the attachment to the application	March 25, 2003
Seven Mile Unit 4 (Generation Station) Project Amendment 3 (Westcoast Gas Services Inc.)	Near Trail	Amendment to the Certificate by revisions of Chapter 2.0 and 3.0 of the Seven Mile Unit 4 Mitigation and Compensation Plan and implementing the South Salmo Stream Fertilization Program	March 27, 2003

Appendix 2 — Projects Under Review

Projects Under Review April 1, 2002 – March 31, 2003

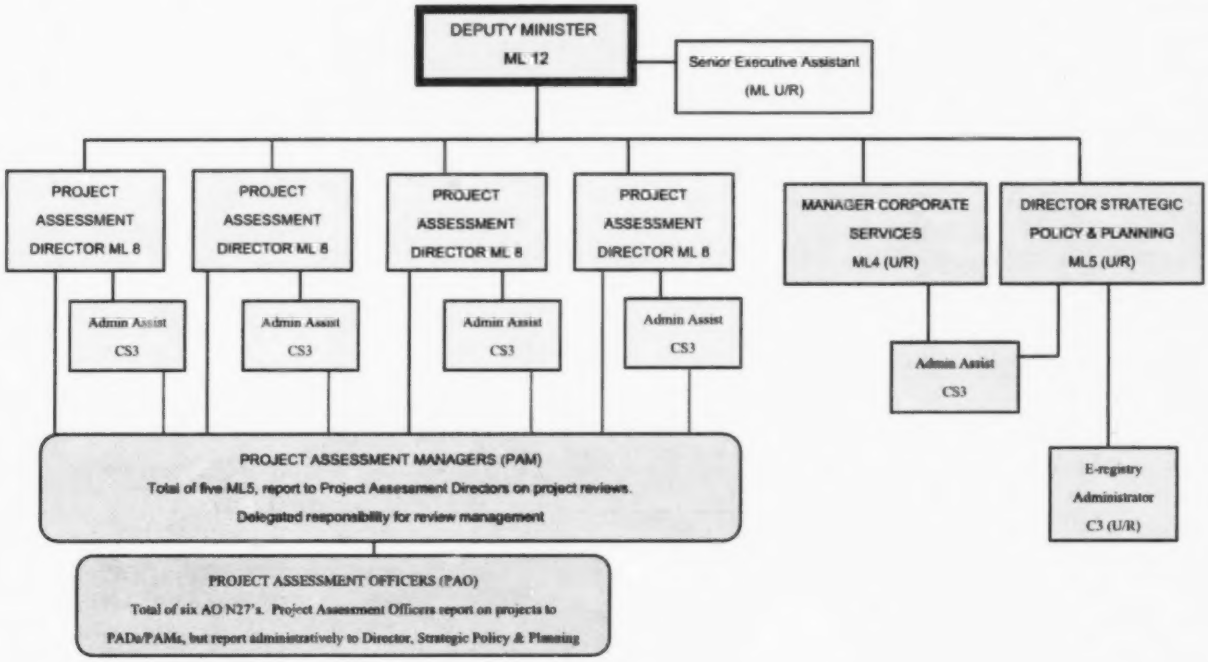
Project (proponent)	Location	Investment ($ million)	Jobs		Status of Review
			Construction (person years)	Operating (FTEs)	
Ashcroft Ranch Landfill Project (Greater Vancouver Regional District) Section 7 opt in	Ashcroft Ranch — Near Ashcroft				Pre-application. The Greater Vancouver Sewerage and Drainage District proposes to construct and operate a new municipal solid waste landfill. Developing Terms of Reference.
Cariboo Gold Mine (International Wayside Gold Mines Ltd.)	Adjacent to Wells, B.C.				Under Review. Terms of Reference for supplementary information expected mid November 2003
Cascade Heritage Power Park Project. (International Powerhouse Energy Corporation)	Near Christina Lake	24	40	3	Under Review. Awaiting supplementary information from proponent
City of Prince George — Fishtrap Island Collector Well (City of Prince George)	Prince George				Pre-application. Application screened and returned to proponent for changes and will be resubmitted.
Container Terminal 2 Project (Vancouver Port Authority)	Lower Mainland — Roberts Bank				Pre-application. Expansion of existing marine port

Project (proponent)	Location	Investment ($ million)	Jobs		Status of Review
			Construction (person years)	Operating (FTEs)	
Coursier Dam Decommissioning Project	30 km. South of Revelstoke	3.4			Application under review, Public comment period completed
Cranbrook Deep Wells Project (Corporation of the City of Cranbrook)	City of Cranbrook				Under Review. Awaiting supplementary information on application from proponent
Crystal Peak Garnet Project (Polestar Exploration Inc.)	Hedley, West of Penticton, Apex area				Under Review. Not proceeding with the review at the request of the proponent
Deltaport Third Berth Project (Vancouver Port Authority)	Lower Mainland — Roberts Bank				Pre-application. Expansion of existing marine port
Eagle Rock Quarry Project (Eagle Rock Materials Ltd.)	Alberni Inlet	95	56	81	Under Review. Application under review. Public comment period completed. Continuing with assessment review.
Garibaldi at Squamish Mountain Resort Development (Garibaldi at Squamish Inc.)	13 km. North of Squamish	238	3,048 (person years of employment)	6,501 (person years of employment)	Under Review. Awaiting supplementary information from proponent.
Inland Pacific Connector Pipeline Project (BC Gas Utility Ltd.)	Oliver to Huntingdon	495			Under Review. Awaiting supplementary information from proponent
Jumbo Glacier Alpine Resort Project (Pheidias Project Management Corporation)	Jumbo Valley near Invermere	552	670	1,000	Under Review. Awaiting supplementary information from proponent

Project (proponent)	Location	Investment ($ million)	Jobs		Status of Review
			Construction (person years)	Operating (FTEs)	
Kamloops Groundwater Project (City of Kamloops)	Kamloops	5	6		Under Review. Awaiting supplementary information from proponent
Kwoiek Creek Hydroelectric Project (Kanaka Bar Indian Band)	Fraser Canyon 22 km. South of Lytton	90	100	6	Under Review. Awaiting supplementary information from proponent
New Fraser River Crossing Project (Greater Vancouver Transportation Authority)	Lower Mainland	600	6,600 person years		Pre-application. Bridge across the Fraser River from Langley to Maple Ridge
Prosperity Gold-Copper Project (Taseko Mines Limited)	125 km. Southwest of Williams Lake	600	700	650	Under Review. Awaiting supplementary information from proponent
Red Chris Copper and Gold Mine (American Bullion Mineral Ltd.)	20 km. Southwest of Iskut in Northern B.C.	252	420	238	Under Review. Awaiting supplementary information from proponent
Revelstoke Unit 5 Generation Project (BC Hydro)	Columbia River at Revelstoke				Under Review. Suspended at proponents request (dormant)
Richmond/ Airport/ Vancouver/ Rapid Transit (RAV Project Management Ltd.) Section 7 opt in	Lower Mainland				Pre-application. Light rail transit to connect Central Richmond, downtown Vancouver, Sea Island and the Vancouver International Airport and linking with elements of regional transportation system

Project (proponent)	Location	Investment ($ million)	Jobs		Status of Review
			Construction (person years)	Operating (FTEs)	
Sea-To-Sky Highway Upgrade Project (Ministry of Transportation) Section 7 opt in	West Vancouver to Whistler	600			Pre-application. Expansion of existing highway between West Vancouver and Whistler
Silvertip Silver/ Lead/Zinc Mine Project (Silvertip Mining Corporation)	85 km. Southwest of Watson Lake, Yukon	40	150	140	Under Review. Awaiting supplementary information from proponent
South Fraser Perimeter Highway Project (Ministry of Transportation)	Lower Mainland				Pre-application. Application expected late 2003 – early 2004
Sustut Copper Project (DoubleStar Resources)	193 km. Northeast of Smithers	18			Pre-application. Open pit copper mine with a proposed 10 km. haul road. Developing Terms of Reference
Telkwa Coal Project (Luscar Ltd.)	14 km. South of Smithers				The proponent has decided not to proceed with development at this time (dormant)
Vancouver Convention Centre Expansion Project (Vancouver Convention Centre Expansion Ltd.) Section 7 opt in	Lower Mainland				Pre-application. Expansion of Vancouver's Convention Centre
Vancouver Island Generation Project (BC Hydro)	Nanaimo — Duke Point	300		20	Under Review. Application to be referred for Ministers' decision by May 30, 2003
Wolverine Coal Mine (Western Canadian Coal Corp.)	Northwest of Tumbler Ridge	75			Under Review. Awaiting supplementary information from proponent

Appendix 3 — Organization Chart


DEPUTY MINISTER
ML 12
Senior Executive Assistant
(ML U/R)
PROJECT ASSESSMENT DIRECTOR ML 8
PROJECT ASSESSMENT DIRECTOR ML 8
PROJECT ASSESSMENT DIRECTOR ML 8
PROJECT ASSESSMENT DIRECTOR ML 8
MANAGER CORPORATE SERVICES
ML4 (U/R)
DIRECTOR STRATEGIC POLICY & PLANNING
ML5 (U/R)
Admin Assist CS3
Admin Assist CS3
Admin Assist CS3
Admin Assist CS3
Admin Assist CS3
E-registry Administrator C3 (U/R)
PROJECT ASSESSMENT MANAGERS (PAM)
Total of five ML5, report to Project Assesment Directors on project reviews.
Delegated responsibility for review management
PROJECT ASSESSMENT OFFICERS (PAO)
Total of six AO N27's. Project Assessment Officers report on projects to
PADs/PAMs, but report administratively to Director, Strategic Policy & Planning

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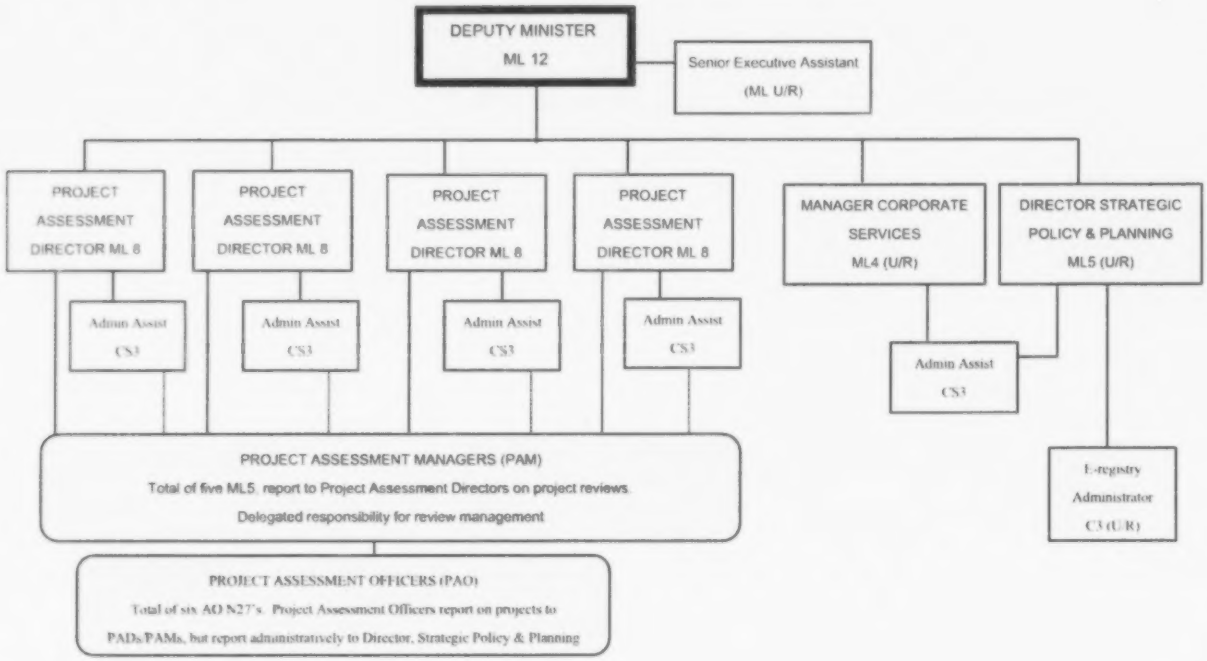
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DIRECTOR STRATEGIC POLICY & PLANNING
ML5 (U/R)
Admin Assist CS3
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Admin Assist CS3
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